

Company Registration Number: 10385281 (England & Wales)

ASPIRE SCHOOLS
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

ASPIRE SCHOOLS
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

G Wilson
E Hutton
F Bowers

Trustees

J C Fletcher
E A Hutton
D Rutley
M W Shaw
G Wilson
S E Jarrett
R A Smith
G E Fay
J Avery (resigned 21 November 2019)
H L V Eley
L Baker (appointed 21 November 2019)
A Mackrell (appointed 11 March 2020)
M Abbott (appointed 11 March 2020)

Company registered number

10385281

Company name

Aspire Schools

Principal and registered office

The Wycombe Grange, 56 Amersham Hill, High Wycombe, Buckinghamshire, HP13 6PQ

Company secretary

M J Keen

Senior management team

D Rutley
S Holding
I Watson
A Hearne
J Sisk
K Baptiste
T Nicholls
R Sihera
M J Keen
E Bernardes

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Independent auditors

James Cowper Kreston, Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Governors present their annual report together with the audited financial statements of Aspire Schools ('the Academy' or 'the charitable company') for the period 31 August 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy, which was incorporated on 20th September 2016 and opened as an Academy on 1st April 2018, is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Governors act as the Trustees for the charitable activities of the Academy and are also the directors of the charitable company for the purposes of company law.

Details of the Governors who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Governors' Indemnities

The Governors benefit from indemnity insurance purchased by the Academy to cover the liability of the Governors arising from negligent acts, errors or commissions occurring whilst on Academy business. The limit of this indemnity is £10,000,000.

Principal Activities

The principal activity of the Academy is to advance for the public benefit by establishing, maintaining, carrying on, managing and developing an Alternative Provision Academy offering a broad and balanced curriculum and also specialising through the provision of vocational courses.

The trust operates an Alternative Provision Academy and whilst the school operates from four separate locations across Buckinghamshire, the school operates as one school under the "Aspire" name.

The individual school sites are at Blueprint which is located in Aylesbury, which predominantly serves the Aylesbury Vale District area. The Wycombe Grange is based in High Wycombe and serves both the Wycombe and South Bucks District areas. Chiltern Skills and Enterprise Centre (CSEC) is based in Chesham and serves the Chilterns District Area. The fourth and our smallest site is Chess Valley Grange, which is also based in Chesham, which from the Spring Term in 2020, now serves the need of the Orchard House Medical Needs provision.

Across all 4 main school sites, Aspire has a combined pupil capacity of 192 (plus 15 places within its 6th form facility), and had a roll of 239* students in the school census on 16th January 2020. *Whilst 239 students were registered at Aspire at the time of the Census, it should be noted that 104 students were solely registered at Aspire. The remaining 135 students, were classified as being "dual registered" but were attending Aspire having being placed by their permanent secondary school, of which 69 students were registered through the Medical Needs Provision. In addition, a proportion of these dual registered students were only attending on a part time basis, and therefore the full time equivalent of students attending at any one time was within the capacity figures quoted above.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal Activities

The Trust is also commissioned by Buckinghamshire Council, to provide additional educational services such as the Home Tuition Service, Stoke Mandeville Hospital Teaching Service and the Orchard House School Room, which from 2020, now forms part of the Trust's Medical Needs Provision. The Trust also continues to be commissioned by Buckinghamshire Council in the delivery the Outreach Service which works in conjunction with local secondary schools across the county.

The Academy is also responsible for the Blueprint HUB Kitchen, which it operates through the subsidiary company "Blueprint Catering Services Limited" and is 100% owned by the Aspire Schools. The subsidiary company was originally responsible for providing school lunches to children attending 4 local Primary Schools in the Aylesbury area, however from September 2019, this has reduced to just one Primary School.

Method of Recruitment and Appointment or Election of Governors

On 1st April 2018, the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on a term of office of 4 years effective from their original appointment date as a Director of the Trust. The appointment of further trustees between 2018 and 2020, and any subsequent trustee appointments will ensure a staggered re-election or replacement process.

The Academy shall have the following Governors as set out in its Articles of Association and Funding Agreement:

- up to 9 Governors who are appointed by the Members or co-opted by the Trustees.
- up to 2 Parent Governors who are elected by the parents of registered pupils at the Academy;
- up to 2 Staff Governors who are elected by the staff and confirmed by the Members (provided that the total number of Governors, including the Head Teacher, who are employees of the Academy, does not exceed one third of the total number of Governors) and;
- the Executive Head Teacher who is treated for all purposes as being an ex-officio Governor.

Governors are appointed for a 4 year period, except that this time limit does not apply to the Head Teacher. Subject to remaining eligible to be a particular type of Governors, any Governors can be re-appointed or re-elected.

When appointing new Governors, the Governing Body will give consideration to the skills and experience mix of existing Governors in order to ensure the Governing Body has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various other organisations as appropriate.

There is a Governors training day organised each year which includes training sessions to keep the Governors updated on relevant developments impacting on their roles and responsibilities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Organisational Structure

The Governing Body normally meets a minimum of once each term. The Governing Body establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees of the Governing Body and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Governing Body may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 5 Committees of the Governing Body as follows:

- Finance (including Premises, Health & Safety & Personnel) Committee.
- Complaints Committee
- HR Related Committee (staff conduct and grievances)
- Pay Review Committee
- Pupil Discipline Committee

Each Committee has its own terms of reference detailing the responsibilities discharged to it. The Finance Committee meets a minimum of once per term. All other committees will only meet on an "as and when" basis with the required number of governors being appointed, as outlined in each committee's terms of reference.

The following decisions are reserved to the full Governing Body:

- to consider any proposals for changes to the status or constitution of the Academy and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the Executive Head Teacher
- to appoint the Company Secretary.

The Governors are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy by the use of budgets and other data, and making the major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Executive Head Teacher of the Trust is the designated Accounting Officer, and has overall responsibility for the day to day financial management of the Academy Trust. The Financial Policy & Regulations details where levels of expenditure are delegated to Business Managers, finance staff and other budget holders. One of the Business Managers has been appointed the Chief Financial Officer and also acts as Company Secretary for the Trust.

The Governors have devolved the day-to-day management of the Trust to the Executive Head Teacher and the Senior Leadership Team ('SLT'). The Trust has commenced of a restructure programme of his senior leadership in 2019, and to date has appointed an acting Head Teacher of Aspire, and an Acting Head of the Medical Needs Provision, and a Head of Development & Opportunities for the Trust. The remaining members of the overall SLT comprises of the Heads of Schools for the 3 main Aspire sites, and 2 Business Managers. The SLT implement the policies laid down by the Governors and report back to them on performance.

Risk Management

The Governors have implemented a system to assess risks that the Academy faces, especially in the operational areas (such as in relation to teaching, health & safety and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Arrangements for setting pay and remuneration of key management personnel

The Academy has a pay policy which sets out the basis on which we determine pay for all teachers and support staff. Qualified and Unqualified Teacher pay scales are subject to the School Teachers' Pay and Conditions Document. All non-teaching staff are employed and paid in accordance with the Bucks Pay Terms and Conditions. The rates of pay and allowances for all roles are determined by the responsibilities for each particular role as outlined in agreed job descriptions. Members of the Senior Leadership Team (SLT) are either paid on the Teacher's Leadership Scale or Bucks Pay Scale, at the agreed rate for each role.

Progression through either Teacher's or Bucks pay scales at Aspire is determined through the procedures as outlined in the Academy's Annual Performance Management process, which is completed between 1st September and 31st October each year. The Performance Management process will review performance against the agreed targets set the previous year, and outline specific targets being set for the forthcoming year. Subject to satisfactory performance, the pay of teaching staff will progress annually through the Teacher's Main Pay Scale, and the pay of support staff will progress until the maximum point has been reached within the agreed salary range for the particular role.

The Head Teacher will review performance of all Senior Leaders, following completion of the Annual Performance Management process. Recommendations for pay awards outside of the agreed pay scales for a particular role, would require approval of Trustees, before implementation.

The performance of the Head Teacher will be reviewed by a designated panel, including 2 trustees (one of which will be the Chair of Trustees), and by one external reviewer. Any pay award will be made in accordance with the pay structure agreed for the role of Head Teacher.

Trade union facility

There have been no employees during the present accounting period that were appointed as trade union officials or undertook duties on behalf of any trade union.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of the Academy. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objects of the Academy, as set out in its Articles of Association, are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum; and
- promote for the benefit of the inhabitants of Buckinghamshire and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Vision Statement

- Aspire's vision is to be "an inspirational, leading edge learning environment where students flourish and change happens"
- Aspire will always do "What is best for the child?"
- Aspire will work out "How can we make that happen?"

Our Values

- "We are a supportive community and demonstrate this through our values which are:-"
 - "Respect"
 - "Hope"
 - "Forgiveness"
 - "Love"
 - "A growth mind-set"
 - "Integrity"
 - "Commitment"

Strategic Objectives

The following key goals continue to the School's key strategic objectives.

Knowing our Students

Knowing our students will lead to students who flourish, engage and make progress. They are motivated to learn, able to reflect and become more self-aware and are ready to move on to the next stage of their learning journey. Behaviour is understood and well managed and staff meet the needs of all students.

Outstanding Relationships

Outstanding relationships will lead to mutual respect between staff and students and a calm working environment with fewer behavioural incidents. We will have meaningful engagement with parents and students will be willing to access support from other agencies. Our communication and systems to communicate will continue to improve. Positive relationships and our sense of belonging will improve both staff and students' attendance.

Personal Development

Developing character will lead to a positive attitude towards staff, learning and others. Staff and students will embrace and learn from risk taking, challenge and failure and take ownership for their own development. We will use effective practices to continuously improve and grow.

Professional Learning

Professional learning will lead to an outstanding learning community where everyone wants to learn and improve. We will be a leading edge organisation for how to work with students with challenging behaviours. Our staff will be experts, able to deliver high quality CPD based on evidence and research that improves outcomes for young people.

Exceptional Teaching

Exceptional teaching will lead to every student making good progress. Students will be engaged in learning and teaching will develop skills and meet the needs of every student.

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TRUSTEES' REPORT (CONTINUED)
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Sustainable Organisation

A sustainable organisation will lead to the growth and strength of Aspire. We will be able to adapt and respond to the needs of Buckinghamshire schools within our available means that we have and will maintain a safe and welcoming working environment that people want to be part of.

Public Benefit

The Governors confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy provides education for students who are permanently excluded from mainstream secondary schools or academics across Buckinghamshire. In addition where students move into Buckinghamshire and have not secured a place at a mainstream school, the Local Authority will place them on a short term basis with Aspire.

Aspire continues to support mainstream secondary schools where students that are at the risk of exclusion, and therefore placed at Aspire and classified as "dual registered", this being on a full time or part time basis. Aspire also provides an Outreach service to work with students in mainstream schools to ensure that their risk of being permanent excluded is minimised. Aspire works closely with families, carers and other agencies such as Social Services, Police and other voluntary groups.

The range of students attending Aspire are from Year 7 to Year 13, although the Home Tuition Service will cater for students from all years from Year 1 to Year 13. Aspire, as required, provides a core curriculum of English, Maths & Science, with appropriate accreditations and qualifications. The remainder of the curriculum will be built around the specific needs of the student, and a customised programme will help those to overcome barriers, assist with improving their self-confidence and motivation, and their overall engagement with education. Aspire will continue to support students in their reintegration into mainstream education, or where appropriate, facilitate their transfer into more specialist education. For those KS4 students attending Aspire, our curriculum offer of vocational subjects offers a wide choice of skills in preparation for further education, training or employment. Through the School's Strive project, students gain considerable work experience in the area of horticulture and garden maintenance, and in turn help the local community and prepare students for future employment.

STRATEGIC REPORT

Strategic report

The Academy has continued to work on the priorities set out in its previous School Development Plan as approved by the Governing Body.

The School faces a number of principal risks as set out in the 'Principal Risks and Uncertainties' section. The School uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations. The existence of these financial instruments exposes the school to a number of financial risks which are described in more detail below.

The main risks arising from the financial statements are cash flow and credit risk. The school seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The school seeks to manage its cash reserves to ensure liabilities are settled as they fall due.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Achievements and Performance

The Academy is in its third period of operation since conversion on 1st April 2018, and has yet to be inspected by Ofsted. The Academy has continued to work on the priorities set out in its strategic plan. The last Ofsted inspection prior to becoming an academy, was undertaken in July 2014 at the Wycombe Grange and in September 2013 at Blueprint. Both inspections were undertaken prior to the amalgamation of the 2 former Pupil Referral Units in 2015, and classifications of both schools was "outstanding" in all 5 keys areas.

The Academy is committed in undertaking a regular programme of internal evaluation in all of 3 main sites, and collectively across Aspire, including the additional services, as commissioned by Buckinghamshire Council. The results of the evaluations will continue to be shared with the Board of Governors/Trustees, together with any action plans to maintain and improve performance.

The Academy is committed to continual improvement which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning.

Key Performance Indicators (including the impact of Covid 19)

The Governors receive regular information on a termly basis, including an annual report at the beginning of every new Academic Year. This report, which is available from The Head Teacher, enables Governors to monitor the progress of the Academy, against its aims and objectives, and reviews the performance of all aspects of the Academy and of the Commissioned Services, including student achievements both through exam results and through individual case studies.

The Academy measures success through a series of performance indicators as listed below:-

- Demand for Provision from the Local Authority and Local Secondary Schools;
- Student Performance including outcomes of accreditations and their destinations;
- Financial Stability
- Feedback from other organisations working with Aspire.

Demand for Provision

The total number of pupils who attended Aspire in the 12 month period ending 31 August 2020 was 325. (compared to 338 for the year ending August 2019, and 379 for the year ending August 2018). Given the Covid 19 restrictions in place in 2020, it would have been estimated that the total student numbers would have been in line with those seen in year ending August 2018. The latest student numbers on roll at the Academy at the time of the October 2020 census date was 136, and again whilst this is lower than the level of 185 seen in October 2019, with this being due to the impact of the Covid 19 lockdown. Since the beginning of October 2020, student referrals have increased, and it is expected that student numbers will return to more normal levels by the end of Autumn Term.

As an Alternative Provision Academy, the number of students on roll at any one time will fluctuate considerably. Many students will be referred on a short term basis, as is the case for our 12 week Key Stage 3 Programme. Other students will attend through the Key Stage 4 Programme and will attend either 1 or 2 days week, and will undertake specific vocational courses such as Construction, Motor Mechanics, Hair & Beauty and Child Development.

During the year ending August 2020, the number of places funded directly by the Local Authority, for the placement of students that have been permanently excluded (or placed from outside of Buckinghamshire without a school) remained at 93.

During the same period, there was a small decline in the number of dual registered places, mainly resulting from lower numbers participating in the KS4 Engagement Programme, and due to a reduction in referrals from schools as a direct result of the Covid 19 restrictions.

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FOR THE YEAR ENDED 31 AUGUST 2020

In respect of the Medical Needs Provision and Outreach provided by Aspire, a total of 70 (77) students were registered through the Home Tuition Service, a total of 33 (74) students attended Orchard House, and a total of 300 (555) students received tuition through the Stoke Mandeville Hospital Teaching Service. A further 256 (302) students were supported by the Outreach Team across 26 (28) different secondary schools. (Previous year's student numbers in brackets). The effect of the Covid 19 restrictions during 2020, has had a significant impact on referrals from Schools, although support continued to be provided by Aspire to existing students during the lockdown period.

Student Performance

Key Stage 4 Examination Results for 2019/20:-

- A total of 60 (62) students sat exams, including 230 (205) GCSE's and 80 (86) Vocational Qualifications
- 41% (14%) of GCSE's taken were graded 9 to 4
- 15% (9%) of students taking English Language were graded 9 to 4, with 96% (98%) being graded 9 to 1.
- 23% (15%) of students taking Mathematics were graded 9 to 4, with 92% (93%) being graded 9 to 1.
- 100% of students achieved 1 or more qualifications (2019 - 91%)
- 88% of students achieved 3 or more qualifications (2019 - 72%)
- 58% of students achieved 5 or more qualifications (2019 - 60%)
- 97% of those students achieved a Vocational Qualification. (2019 – 98%)

From a total of 88 (88) Year 11 & 12 Leavers, 68 or 77% (47 or 53%) have continued in education, no students (3 or 4%) have moved into employment, 15 or 17% (19 or 22%) are with other training providers, and no students (4 or 5%) are NEET. A further 5 student destinations are unknown. (Previous year's figures shown in brackets)

Given the impact of the Covid 19 restrictions, all GCSE examinations were cancelled during May and June 2020. The assessment of all GCSE grades were assessed in accordance with the government revised guidelines, which in the most part were based on Teacher assessment and completed coursework.

Financial Stability

Although the Academy's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2019, the balance of the GAG Restricted Fund was £720,337, which is after a transfer of £30,090 to the Restricted Fixed Asset Fund to fund capital expenditure during the period.

Funding of the Academy is through 3 main funding channels as detailed below:-

- (1) The school has a capacity of 192 places, and in accordance with ESFA funding guidelines for Special Schools, receives £10,000 per place, or the equivalent of £1,920,000 per annum. Additional funding received directly from the ESFA was £291,237, and derived from funding for the 6th Form, Pupil Premium, Rates Relief, and additional DfE Grants to cover the additional costs of the Teachers' Pay Award from 2018 and 2019, and to cover the cost of increased employers' contributions to the Teachers' Pension Scheme from September 2019.
- (2) Funding is received from the Local Authority in accordance with the agreed contract of March 2018. Through this contract, the Local Authority has agreed to purchase 93 places, to enable to meet its legal obligations when students are permanently excluded from mainstream education, or when students move into Buckinghamshire without a permanent school placement. The number of students placed at Aspire by the Local Authority will fluctuate throughout the year in line with the actual demand, but reached a maximum level of 87 placements in March 2020.

Specific funding is also received from the Local Authority to support the 12 week Key Stage 3 Programme, where the referring school will only be charged 50% of the normal standard daily charge. A total of 25 places are subsidised by the local authority at any one time. The same subsidy applies to the Key Stage 4 School Engagement Programme, which focuses on the provision of vocational courses to other secondary

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

school students, where they attend either 1 or 2 days per week. A total of up to 66 places are subsidised by the Local Authority at any one time.

The total Local Authority funding received directly to support the core operations of Aspire for the 12 month period to 31 August 2020 was £1,163,004. SEN income to support those students with specific educational needs for the period provided an additional £391,619. Additional funding was received £733,994 from the Local Authority to fulfil its obligations in providing the Outreach Service, Stoke Mandeville Hospital Teaching Service, Orchard House School Room and the Home Tuition Service.

- (3) Funding is received direct from other secondary schools in Buckinghamshire, through both full time and part time provision at Aspire, through the 12 week KS3 programme, the KS4 School Engagement Programme, and through the Home Tuition Service. Total funding received during the period, was £718,523. This can be broken down to £448,104 being directly received by Aspire, £214,066 in respect of Home Tuition referrals, and £56,353 for referrals to Orchard House.

As the majority of the Academy's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As a result, the ratio of total funding per pupil (excluding 6th Form income) was £21,581 for the period.

Staffing costs are another key performance indicator for the Academy and the percentage of total staff costs to GAG, Local Authority and School funding for the period was 86.8% (88.0% in 2019), while the percentage of staff costs to total costs was 79.3% (79.8% in 2019).

The impact of Covid 19, to date, has not significantly impacted on the financial standing of the Academy. Additional expenses of approximately £15,000 were incurred in respect of additional deep cleaning costs, the cost of purchasing additional cleaning equipment products, and the installation of hand sanitiser stations at all the sites. Further costs were incurred with the purchase of IT equipment, including lap tops for staff to enable them to work remotely. Blueprint Catering Services Ltd, which operates the HUB Kitchen at Blueprint, effectively ceased trading between March and the end of August, and therefore the full staffing costs for the two employees had to be covered by the Academy. In spite of these additional costs, savings in other areas have also been made, which have been sufficient to mitigate all the above additional costs. Savings were made especially with the provision of food across all school sites, reduced costs in educational equipment and sporting activities. Other savings were made in staff mileage expenses, especially from our Home Tutors, as this provision moved to being delivered through online platforms instead.

Working with Other Organisations

During the last year, the Trust has been working closely with the Rothschild Foundation and Artwork, and has been successful in achieving funding to support the Aspire Arts Project from September 2020 through to January 2023. The Trust has now set up its own charity under the name of "Aspire For Young People" to administer this project and to be able to accept donations and grants from other funders in the future.

The Arts Project has three main strands:-

1. Embedding arts and creative practice across Aspire's staff and sites (in Y1) and more widely across Buckinghamshire (using our Teaching School in Y2).
2. Extending our Orchard House offer – offering 'youth club' style sessions for specific young people who have been referred into the provision to support their mental health.
3. Art Therapy offer Art to students until January 2023

The close working relationship with the Rothschild Foundation, was also seen during the lockdown period and even after the school reopened in June, when they provided hot lunches to our students and families. The delivery of the food from Waddesdon Manor, was supported by a dedicated team of staff and volunteers.

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Through the Trust's Teaching School activities, we have continued to support other schools in Buckinghamshire and beyond in a number of key areas, including literacy, wellbeing and developments in teaching and learning. Our work as a teaching school has brought us into contact with a number of schools across Buckinghamshire, and through working closely with Buckinghamshire Council, we were able to develop the resources and ideas we were implementing at Aspire to support school staff across the county. We developed a website called Connecting Bucks Schools, to which we added a blog, wellbeing resources, and teaching and learning resources. This site is ongoing and being adapted to meet the latest needs of schools.

In July 2020, again through our Teaching School, we organised the "Bucks Teacher Learning Day". Developing staff confidence in IT for communication and the positive reception of the website gave us the confidence to transpose our original plans for the Teacher Learning day to an online platform. The reception of this idea was extremely positive and the scale of the event expanded considerably thanks to the school communities within and beyond the county. The day focused primarily on inclusion and diversity with a focus on promoting positive collaboration between schools. We had 83 expert speakers on the day, including many Bucks practitioners and nationally acclaimed speakers such as Sue Cowley and Matt Pinkett. Dame Alison Peacock, Chief Executive of the Chartered College of Teaching, opened the day.

Key Issues for the Future

A 3 Year Development plan has been agreed at both Trust Level and for the Medical Needs Provision, which is drawn up in line with the School's values, and key strategic objectives.

Aspire Schools 3 Year Development Plan

Goal 1 (covering "Knowing our Students", Outstanding Relationships" & Personal Development)

Within this area we are setting up the conditions for learning to take place and enable students to flourish. We are focussing on 3 broad areas:

- Attendance - Showing up is the first step to accepting support
- Behaviour Focus - Refreshing ways in which we support students to be their best selves in response to Covid-19 by developing self-regulation strategies
- Nurture - How we are creating the conditions and strategies to meet student needs as an essential first step in their learning journey

Goal 2 (covering "Professional Learning" & "Exceptional Teaching")

A wide ranging offer for CPD from reading, bespoke training, ongoing regular training and a learning culture to ensure staff meet the needs of our students and provide a high quality education. T&L focus for all staff including:

- Literacy
- Assessment to support Teaching & Learning including those with SEND
- Arts and creativity
- Diversity-reflecting our whole school community

Goal 3 (covering "Sustainable Organisation")

- Leadership structure review
- Growing the MAT
- Developing the Teaching School to offer sustainability post national Teaching School restructure
- High expectations
- Ensuring we are meeting the needs of the local community
- Reviews and reflection

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Medical Needs Provision – 3 Year Development Plan

Goal 1 (covering “Knowing our Students”, Outstanding Relationships” & Personal Development)

Within this area we are setting up the conditions for learning to take place and enable students to flourish. We are focussing on 3 broad areas:

- Engagement – How are we supporting students so that they can re-engage with education, with their community and with society?
- Nurture - How are we meeting and understanding the emotional need of our students, so that they can then take the essential first steps on their learning journey?
- Aspiration – How are we building aspiration and supporting our students so that they have the self-confidence and self-belief needed for success?

Goal 2 (covering “Professional Learning” & “Exceptional Teaching”)

A wide ranging offer for CPD from reading, bespoke training, ongoing regular training and a learning culture. Teaching and Learning focus for all staff including:-

- Access to bespoke ASD and SEMH CPD
- Teaching & Learning support from the Associate Assistant Head Teachers
- Further develop the working relationship with the SENCo to support Teaching Learning of SEN students
- Continue to develop online learning opportunities
- Develop the Art Therapy provision
- Develop mentoring as part of the Home Tuition provision

Goal 3 (covering “Sustainable Organisation”)

- Investigate a separate site for the Home Tuition provision in the North
- Access funding for devices for staff and e-learning and training for tutors
- Expand the provision at Orchard House
- Develop the continued financial security
- Make the Rothschild benefits sustainable
- Ensure we are meeting the needs of the local community

Teaching & Learning Plan

A comprehensive Teaching and Learning Plan for the 2020/21 Academic Year has been developed across all areas of Aspire in line with the school’s values, objectives and key strategies. Improvements are planned in the following areas:-

- Assessment for Learning
- Literacy
- EHC/TTT Classroom Strategies and Edukey
- Decolonisation of the Curriculum
- Questions, Metacognition and Self Regulation
- Creativity and the Equitable Classroom

ASPIRE SCHOOLS
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Key Financial Issues

Strict financial controls will need to be maintained, especially to cover future risks and uncertainties as detailed later in this report. A more critical review of existing contracts is to take place to ensure "value for money" continues to be achieved during the next financial year, with a full report being provided to Trustees.

The Covid 19 pandemic, potentially will have further financial impact on the Academy and it remains a considerable risk, as the Academy relies on the referrals of student placements from other secondary schools across Buckinghamshire. The Academy will have to monitor the number of students referrals very closely, and to be aware at all time the future impact financially if student referrals remain low, especially if there were further full school closures in the future.

Going Concern

After making appropriate enquiries, the Board of Governors, including all Committees, has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

FINANCIAL REVIEW

Financial Review

The majority of the Academy's income is received from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2020 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the period ended 31 August 2020, the total expenditure of £5,711,244 was covered by the recurrent grant funding from the DfE, Local Authority top up funding and through student placements at Aspire from other secondary schools in Buckinghamshire. The excess of total expenditure over total incoming resources for the period was £357,441.

During the period ended 31 August 2020, a total of £7,578 was received from the Devolved Formula Capital Grant (DFCG). With a capital balance of £9,615 being brought forward, from the combined Capital Fund of £16,743 an amount of £8,502 has been spent on upgrading the upgrading the CCTV and security systems at both the Blueprint and CSEC sites. This leaves a balance of £8,247 being carried forward to the new financial year.

Following the successful Condition Improvement Funding Grant application in the 2018/19 Financial Year, when the school was awarded £67,808 to assist with the upgrade of the security and alarm systems at The Wycombe Grange premises, the remaining funds were allocated as follows. With the school having contributed £20,000 to the overall project costs, as reported previously as at August 2019, a total of £80,892 had been spent. From the remaining balance of £6,916 being carried forward into the 2019/20 financial year, a further £3,743 was spent, with the remaining underspend of £3,173 due to be returned to the ESFA.

Land, buildings, other assets and the Local Government Pension Scheme deficit from the predecessor school were transferred to the Academy from the Local Authority on conversion. The total value of these net assets transferred on conversion, as included in the Statement of Financial Activities, were £9,212,549. The details of the net assets transferred and the basis of their valuations are set out in Note 12 to the financial statements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The net book value of fixed assets at 31 August 2020 were £9,885,348, which includes the value of land and buildings transferred on conversion of £10,565,000 and depreciation charges for the period of £227,348

Due to the accounting rules for the Local Government Pension Scheme (LGPS) under FRS102, the Academy is recognising a significant pension fund deficit of £3,254,000 which has increased from a fund deficit of £2,530,000 as at August 2019. This does not mean that an immediate liability for this amount is due, but this will continue to impact the school's cash flow through continuation of increased employer contributions over a number of years. The Academy continues to follow the recommendations outlined in the latest actuarial report prepared as at the end of August 2020. Employers' contributions have already increased from 23.8% to 23.9% from 1st April 2020, with a further increase to 23.0% due on 1st April 2021.

The fixed assets held by the Academy are used exclusively for providing education and associated support services to the pupils of the Academy.

The balance of total funds held at 31 August 2020 were £7,420,138 which comprised of the following:

Restricted funds (excluding Pension Liability)	£720,337
Restricted Pension Liability Fund	£3,254,000
Restricted Fixed Asset Fund	£9,893,591
Unrestricted Funds	£60,210

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy's financial management, including financial responsibilities of the Governing Body, Head Teacher, Managers, Budget Holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

Financial and Risk Management Objectives and Policies

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Governors and include the financial risks to the Academy. The Risk Register and Risk Management Plan are regularly reviewed in light of any new information and formally reviewed annually.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls, and termly quality assurance reviews. Where significant financial risk still remains, the Governors have ensured the Academy has adequate insurance cover.

Provided that the existing funding arrangements with the DfE, the Local Authority remain unchanged, and that existing student levels are maintained through direct school referrals, the overall risk in changes to income would be minimised. However, the current freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and the increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial health of the Academy formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors and Finance Committee meetings.

At the balance sheet date, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy's liquidity.

The Governors recognised that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy. However, as the Governors consider the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

ASPIRE SCHOOLS
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Academy are as follows:

Financial

The Academy has considerable reliance on continued Government funding through the ESFA. In addition the Academy remains at risk from changes to Local Authority funding (which is ultimately government funded), as the present contract is only in place until August 2020. A review of this contract is presently being undertaken with the Local Authority and will report back to Trustees accordingly. A significant proportion of the income to the Academy is from other secondary schools in Buckinghamshire, and future changes to overall government funding for schools, could have an impact of future level of dual registered referrals being made. There is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Governors continue to review and ensure appropriate measures are in place to mitigate these risks, and through independent quality assurance reviews.

Reputational

The continuing success of the Academy is dependent on continuing to maintain the highest educational standards. To mitigate this risk, the Governors ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection

The Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, ongoing safeguarding training for all school staff, the operation of child protection policies and procedures, health & safety and discipline. Additional safeguarding procedures continue to be in place to assist with reporting of safeguarding concerns, and the monitoring of IT usage. The school remains compliant to all safeguarding regulations.

Staffing

The success of the Academy is reliant on the quality of its staff so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Academy has engaged its external auditors to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness.

A Risk Register is maintained and reviewed regularly in respect of all the above principal risks and uncertainties.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Reserves Policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors also take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Governors have determined that the appropriate level of free cash reserves should be approximately 8% of total incoming resources. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy's current level of reserves (defined as restricted general funds, excluding pension reserve, plus the balance on unrestricted funds) is £780,547 of which £60,210 is free reserves (that is, total funds less the amount held in fixed assets and restricted funds). The current policy is to maintain a minimum level of cash reserves equivalent to at least one month's average expenditure of the Trust, or £500,000 whichever is the greatest amount.

The Academy acknowledges that the Covid 19 pandemic could have further effects on the financial standing of the Academy, but it is accepted that there remains sufficient reserves at the present time, to meet its immediate financial obligations.

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect by the Academy with the objective of ensuring maximum return on assets invested but with minimal risk.

Funds will only be invested in low risk and easily-accessible accounts. Where cash flow forecasts allow, funds will be placed in bank accounts with a withdrawal notice of no more than 12 weeks. Risk is managed through diversification of investments, ensuring that the security of funds takes precedence over revenue maximisation. Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and with good credit ratings. At the present time, given the low interest rates presently being received, there is no additional benefit in transferring funds from our main school bank account, to an alternative savings account.

PLANS FOR FUTURE PERIODS

The Trust strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Trust's plans for future periods are:

- The Trust will continue with its planned restructure process during the next year, to include a full review of all operational areas within the entire Trust. This will ensure that Trust continues to be compliance in meeting its legal and financial and governance obligations to the DfE, and its legal obligations under GDPR. This will also ensure that the Trust is best placed and prepared to expand, should the need arise.
- The Academy will continue exercise its strict financial planning, in ensuring its longer term financial stability by the termly review of its 3 year financial plan, taking into consideration the principal risks and uncertainties already highlighted in this report.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

- The Academy is presently 2 years into a 5 year phased plan to replace and upgrade the majority of its IT equipment, of which spending for the next financial year will be £30,000. The Academy will be allocating a maximum of £100,000 from Reserves to assist with the development of a further Aspire site at Shortenills. This additional site has been provided by the Local Authority on a temporary basis in response to the specific challenges that the Wycombe Grange site presents in complying with present Covid 19 guidelines in keeping staff and students safe. The Academy will also be considering submitting a further CIF application for DfE Capital Funding to assist with other capital programmes within the school.
- The Academy will continue to develop a programme of continued professional development for all levels of the staff, including bespoke leadership training for its SLT, Middle Leaders and Learning & Behavioural Support Staff. A new position of Associate Assistant Head Teacher has also been created from September 2020 to provide support to the Head of School at each Aspire site, and to provide development opportunities for staff to move from Middle Leadership to Senior Leadership roles. These three positions will be on an acting basis for next Academic Year, with a full evaluation taking place in June 2021, ahead of a final decision in making these position permanent.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Governors do not act as Custodian Trustees of any other charity.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors report, incorporating a strategic report has been approved by order of the Board of Governors, as the company directors, on *17th December 2020* and signed on its behalf by:


.....
E A Hutton
Chair of Governors

ASPIRE SCHOOLS
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Aspire Schools has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Aspire Schools and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that information that is described in the Governors' Report and in the Governors' Responsibilities Statement. The Governing Body has formally met three times during the period ended 31 August 2020.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
J C Fletcher	3	3
E A Hutton	3	3
D Rutley	3	3
M W Shaw	1	3
G Wilson	2	3
S Jarrett	3	3
R Smith	2	3
J Avery (resigned 21.11.2019.)	0	1
H Eley	3	3
L Baker (appointed 21.11.2019)	2	3
G E Fay	0	3
A Mackrell (appointed 11.03.2020.)	2	2
M Abbott	1	2

The Finance (including Premises, Health & Safety & Personnel) Committee is a sub-Committee of the Governing Body. Its purpose is to provide guidance and assistance to the Governing Body on all matters related to finance, resources, premises and Health & Safety of the Academy. This includes preparing and approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the ESFA, to ensure best value is achieved in all financial transactions and to receive and (where relevant) respond to period audit reports on the Academy and of public funds. This committee also acts as the Academy's Audit Committee.

Attendance at meetings of the Finance Committee during the period was as follows:

Trustee	Meetings attended	Out of a possible
E A Hutton	3	3
D Rutley	3	3
M W Shaw	2	3
L Baker (appointed 21.11.2019.)	1	2

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance reviews

During the year the academy trust has carried out a review of its governance arrangements and procedures.

Key findings of the review and recommendations are listed below:-

- To recruit a 1 new member for the Trust, and increase the overall total of members from 4 to 5 in line with DfE recommendations;
- To recruit additional trustees/governors to serve on the Academy's Board who will bring specific expertise and further the development of the Trust; (eg. Finance, Business Development & Project Management)
- To recruit parent trustees/governors to serve on the Academy's Board;
- All trustees, both new and existing, to undertake a skills audit, and to undertake additional training and development as required;
- All trustees to receive training on their roles and responsibilities as a trustee;
- Trustees encouraged to visit school sites to understand the operation of the school and the challenges that face the school and its staff;
- All trustees to understand the vision and aims for Aspire for the future development of the Trust.

Review of value for money

As accounting officer the Executive Head Teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available.

The accounting officer for the academy trust has delivered improved value for money during the year by:

- The Executive Head Teacher and other Senior Leaders within Aspire, work in collaboration with the Reintegration Team at Buckinghamshire County Council, to ensure that all referrals are dealt with efficiently and in compliance with the terms of its contract.
- An internal programme of continuing professional development (CPD) has been implemented throughout the school as a whole, and individual subject areas, by utilising the skills of existing staff and leaders, in order to share best practices, and in turn improve the skills of staff.
- Working in conjunction with the Aspire's Teaching School, training courses and dedicated support have been provided to other secondary schools in respect of managing behaviour in schools and dealing with students with special educational needs.
- The continual review of job roles and targeted recruitment has ensured that key staff are recruited at the correct time, to meet the fluctuating student numbers during the academic year, therefore minimising costs.
- All contracts continued to be reviewed each year, for best value for money.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Aspire Schools for the period ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period from incorporation to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

The risk and control framework

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. (as outlined in its Financial Policy & Regulations document)

In particular it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governors;
- Monthly financial reports produced by the Chief Financial Officer and reviewed by Accounting Officer/Head Teacher, including variances to plan, updated forecasts to end of financial year, and monthly review of aged debtors.
- Monthly analysis of student roll numbers, and comparison to previous years, in order to identify potential shortfalls of income.
- Monitoring of key performance indicators in compliance with Local Authority contract.
- Termly reports to Finance Committee and Board of Trustees, which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes, including impact to 3 year financial plan.
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function the Governors have appointed James Cowper Kreston, the external auditor, to perform additional checks, through a internal assurance review, during the present accounting period. Following this review, there were no material control issues arising requiring remedial action.

In consideration of the newly revised FRC Ethical Standards for auditors, the Governors will no longer to be able to appoint our external auditors, James Cowper Kreston, to undertake future internal audit reviews or quality assurance reviews. The Governors will be seeking to appoint new internal auditors to undertake any future internal audits and future termly quality assurance reviews.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the auditor or reviewer reports to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors', including all Committees', financial responsibilities. Any remedial action taken as result of the review will be agreed through the Board of Governors.

ASPIRE SCHOOLS
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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the period ended 31 August 2020 the review has been informed by:

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on *17th December 2020* and signed on their behalf by:


.....
E A Hutton
Chair of Governors


.....
D Rutley
Accounting Officer

ASPIRE SCHOOLS
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Aspire Schools I have considered my responsibility to notify the Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA.


.....

D Rutley
Accounting Officer
Date: *17th December 2020*

ASPIRE SCHOOLS
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the charitable company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in their conduct and operation the Group and the charitable company apply financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees and signed on its behalf by:


.....
E A Hutton
Chair of Governors
Date: *17th December 2020*

ASPIRE SCHOOLS
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ASPIRE SCHOOLS**

Opinion

We have audited the financial statements of Aspire Schools (the 'parent Academy') and its subsidiaries (the 'Group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Academy balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Academy's affairs as at 31 August 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

ASPIRE SCHOOLS
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ASPIRE SCHOOLS (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the parent Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent Academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Academy financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

ASPIRE SCHOOLS
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ASPIRE SCHOOLS (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent Academy or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Darren O'Connor BSc (Hons) FCCA ACA (Senior statutory auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reading Bridge House

George Street

Reading

Berkshire

RG1 8LS

Date: 18 December 2020

ASPIRE SCHOOLS
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASPIRE SCHOOLS AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aspire Schools during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Aspire Schools and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Aspire Schools and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Aspire Schools and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Aspire Schools's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Aspire Schools's funding agreement with the Secretary of State for Education dated 28 March 2018 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

Our work on regularity included a review of the internal controls, policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the governors to assess the internal controls throughout the year.

Specific work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Governors and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams.

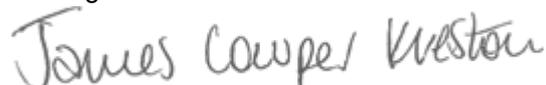
ASPIRE SCHOOLS
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASPIRE SCHOOLS AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



James Cowper Kreston
Chartered Accountants and Statutory Auditor

Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: 18 December 2020

ASPIRE SCHOOLS
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted general funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	-	-	7,578	7,578	87,597
Charitable activities	4	-	5,218,377	-	5,218,377	5,074,506
Teaching schools		70	55,097	-	55,167	106,557
Other trading activities	5	28,765	80,329	-	109,094	353,186
Investments	6	397	-	-	397	441
Total income		29,232	5,353,803	7,578	5,390,613	5,622,287
Expenditure on:						
Trading activities		-	78,341	-	78,341	304,369
Charitable activities		18,399	5,575,385	227,349	5,821,133	5,427,338
Teaching schools		-	57,518	-	57,518	96,114
Total expenditure	7	18,399	5,711,244	227,349	5,956,992	5,827,821
Net income/(expenditure)		10,833	(357,441)	(219,771)	(566,379)	(205,534)
Transfers between funds	17	-	(30,090)	30,090	-	-
Net movement in funds before other recognised gains/(losses)		10,833	(387,531)	(189,681)	(566,379)	(205,534)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(307,000)	-	(307,000)	(458,000)
Net movement in funds		10,833	(694,531)	(189,681)	(873,379)	(663,534)
Reconciliation of funds:						
Total funds brought forward		49,377	(1,839,132)	10,083,272	8,293,517	8,957,051
Net movement in funds		10,833	(694,531)	(189,681)	(873,379)	(663,534)
Total funds carried forward		60,210	(2,533,663)	9,893,591	7,420,138	8,293,517

ASPIRE SCHOOLS
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)**
FOR THE YEAR ENDED 31 AUGUST 2020

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 35 to 59 form part of these financial statements.

ASPIRE SCHOOLS
(A company limited by guarantee)
REGISTERED NUMBER: 10385281

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	9,885,348	10,067,189
		9,885,348	10,067,189
Current assets			
Debtors	15	104,605	163,167
Cash at bank and in hand		949,567	941,692
		1,054,172	1,104,859
Creditors: amounts falling due within one year	16	(265,382)	(348,531)
Net current assets		788,790	756,328
Total assets less current liabilities		10,674,138	10,823,517
Defined benefit pension scheme liability	23	(3,254,000)	(2,530,000)
Total net assets		7,420,138	8,293,517
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	9,893,591	10,083,272
Restricted income funds	17	720,337	690,868
		10,613,928	10,774,140
Restricted funds excluding pension asset	17	10,613,928	10,774,140
Pension reserve	17	(3,254,000)	(2,530,000)
Total restricted funds	17	7,359,928	8,244,140
Unrestricted income funds	17	60,210	49,377
Total funds		7,420,138	8,293,517

The financial statements on pages 30 to 59 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

E. Hutton

E A Hutton

Chair of Governors

Date: *17th December 2020*

The notes on pages 35 to 59 form part of these financial statements.

ASPIRE SCHOOLS
(A company limited by guarantee)
REGISTERED NUMBER: 10385281

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	9,885,348	10,067,189
Investments	14	1	1
		9,885,349	10,067,190
Current assets			
Debtors	15	123,134	172,243
Cash at bank and in hand		929,397	925,161
		1,052,531	1,097,404
Creditors: amounts falling due within one year	16	(265,382)	(343,199)
		787,149	754,205
Net current assets		787,149	754,205
Total assets less current liabilities		10,672,498	10,821,395
Defined benefit pension scheme liability	23	(3,254,000)	(2,530,000)
Total net assets		7,418,498	8,291,395
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	9,893,591	10,083,272
Restricted income funds	17	718,697	688,746
Restricted funds excluding pension liability	17	10,612,288	10,772,018
Pension reserve	17	(3,254,000)	(2,530,000)
Total restricted funds	17	7,358,288	8,242,018
Unrestricted income funds	17	60,210	49,377
Total funds		7,418,498	8,291,395

The financial statements on pages 30 to 59 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



E A Hutton
Chair of governors

Date: 17th December 2020

The notes on pages 35 to 59 form part of these financial statements.

ASPIRE SCHOOLS
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	19	45,804	432,720
Cash flows from investing activities			
	20	(37,929)	(28,816)
Change in cash and cash equivalents in the year		7,875	403,904
Cash and cash equivalents at the beginning of the year		941,692	537,788
Cash and cash equivalents at the end of the year	21, 22	949,567	941,692

The notes on pages 35 to 59 form part of these financial statements

ASPIRE SCHOOLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Aspire Schools meets the definition of a public benefit entity under FRS 102.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Academy has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All incoming resources are recognised when the Group has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Consolidated statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

ASPIRE SCHOOLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income (continued)

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Group has provided the goods or services.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

This includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

These are costs incurred on the Group's educational operations, including support costs and costs relating to the governance of the Group apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Basis of consolidation

The financial statements consolidate the accounts of Aspire Schools and all of its subsidiary undertakings ('subsidiaries').

The academy has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the academy was £565,897 deficit (2019 - £229,206 deficit).

ASPIRE SCHOOLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.6 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Consolidated statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Consolidated statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Buildings	- Straight line - 2%
Leasehold land	- Straight line - 125 years
Furniture and fixtures	- Straight line - 20%
Computer equipment	- Straight line - 33%
Motor vehicles	- Straight line - 20%

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Consolidated statement of financial activities.

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

ASPIRE SCHOOLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.11 Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

The Group only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Group and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

ASPIRE SCHOOLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.13 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

Retirement benefits to employees of the Group are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Group in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Group in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Consolidated statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.14 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Group at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

ASPIRE SCHOOLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

ASPIRE SCHOOLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Income from donations and capital grants

	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Capital grants	7,578	7,578	87,597
Total 2019	87,597	87,597	

4. Funding for the academy's educational operations

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	1,920,000	1,920,000	1,920,000
Other DfE/ESFA grants	291,237	291,237	135,538
	2,211,237	2,211,237	2,055,538
Other government grants			
Local authority grants	2,288,617	2,288,617	2,372,006
	2,288,617	2,288,617	2,372,006
Other funding			
Other income	718,523	718,523	646,962
	5,218,377	5,218,377	5,074,506
Total 2019	5,074,506	5,074,506	

ASPIRE SCHOOLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	10,366	-	10,366	9,814
Other income	18,399	2,470	20,869	15,331
HUB Kitchen	-	77,859	77,859	328,041
	<u>28,765</u>	<u>80,329</u>	<u>109,094</u>	<u>353,186</u>
Total 2019	<u>25,145</u>	<u>328,041</u>	<u>353,186</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest received	397	397	441
Total 2019	<u>441</u>	<u>441</u>	

ASPIRE SCHOOLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Hub Kitchen					
Direct costs	26,269	-	52,072	78,341	304,369
Expenditure on educational activities					
Direct costs	2,190,654	-	174,730	2,365,384	2,150,863
Support costs	2,643,859	213,836	598,054	3,455,749	3,276,475
Teaching school	26,495	-	31,023	57,518	96,114
	<u>4,887,277</u>	<u>213,836</u>	<u>855,879</u>	<u>5,956,992</u>	<u>5,827,821</u>
Total 2019	<u>4,649,488</u>	<u>149,506</u>	<u>1,028,827</u>	<u>5,827,821</u>	

8. Analysis of expenditure by activities

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Academy's educational operations	<u>2,365,384</u>	<u>3,455,749</u>	<u>5,821,133</u>	<u>5,427,338</u>
Total 2019	<u>2,150,863</u>	<u>3,276,475</u>	<u>5,427,338</u>	

ASPIRE SCHOOLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	2,643,859	2,504,146
Depreciation	227,349	204,154
Cleaning	31,911	24,429
Travel costs	38,424	45,561
Other support costs	94,346	103,723
Catering costs	79,632	97,761
Maintenance of premises	181,925	125,077
Technology costs	54,431	55,703
Recruitment and staff costs	103,872	115,921
	<u>3,455,749</u>	<u>3,276,475</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	227,348	204,154
Fees paid to auditors for:		
- audit	11,000	11,000
- other services	3,050	3,300
	<u>11,000</u>	<u>11,000</u>
	<u>3,050</u>	<u>3,300</u>

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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2020 £	Group 2019 £	Academy 2020 £	Academy 2019 £
Wages and salaries	3,423,244	3,362,083	3,402,996	3,285,074
Social security costs	320,744	309,311	319,339	303,784
Pension costs	1,070,359	951,229	1,065,743	934,382
	4,814,347	4,622,623	4,788,078	4,523,240
Agency staff costs	72,930	26,865	72,930	26,865
	4,887,277	4,649,488	4,861,008	4,550,105

b. Staff numbers

The average number of persons employed by the Group and the Academy during the year was as follows:

	Group 2020 No.	Group 2019 No.
Teachers	77	72
Administration and support	67	71
Management	6	6
	150	149

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10. Staff (continued)

c. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2020 No.	Group 2019 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	1
In the band £140,001 - £150,000	-	1
In the band £150,000 - £160,000	1	-
	1	-

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £865,344 (2019 £786,917).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
D Rutley	Remuneration	150,000 - 155,000	145,000 - 150,000
	Pension contributions paid	25,000 - 30,000	20,000 - 25,000
H Eley	Remuneration	25,000 - 30,000	20,000 - 25,000
	Pension contributions paid	5,000 - 10,000	0 - 5,000
A Mackrell (appointed 11 March 2020)	Remuneration	35,000 - 40,000	NIL
	Pension contributions paid	5,000 - 10,000	NIL

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

12. Trustees' and Officers' insurance

The Group has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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13. Tangible fixed assets

Group and Academy

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	10,176,875	127,279	40,035	17,679	10,361,868
Additions	-	15,674	29,833	-	45,507
At 31 August 2020	<u>10,176,875</u>	<u>142,953</u>	<u>69,868</u>	<u>17,679</u>	<u>10,407,375</u>
Depreciation					
At 1 September 2019	250,579	20,083	13,186	10,831	294,679
Charge for the year	177,518	29,888	14,819	5,123	227,348
At 31 August 2020	<u>428,097</u>	<u>49,971</u>	<u>28,005</u>	<u>15,954</u>	<u>522,027</u>
Net book value					
At 31 August 2020	<u><u>9,748,778</u></u>	<u><u>92,982</u></u>	<u><u>41,863</u></u>	<u><u>1,725</u></u>	<u><u>9,885,348</u></u>
At 31 August 2019	<u><u>9,926,296</u></u>	<u><u>107,196</u></u>	<u><u>26,849</u></u>	<u><u>6,848</u></u>	<u><u>10,067,189</u></u>

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14. Fixed asset investments

	Investments in subsidiary companies £
Academy	
Cost or valuation	
At 1 September 2019	1
	1
At 31 August 2020	1
Net book value	
At 31 August 2020	1
	1
<i>At 31 August 2019</i>	1

Principal subsidiaries

The following was a subsidiary undertaking of the Academy:

Name	Company number	Principal activity	Class of shares	Holding	Included in consolidation
Blueprint Catering Services Limited	10529922	Supply of catering services to primary schools	Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/ (Loss) for the year £	Net assets £
Blueprint Catering Services Limited	77,859	78,341	(482)	1,641

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15. Debtors

	Group 2020 £	Group 2019 £	Academy 2020 £	Academy 2019 £
Trade debtors	45,727	60,913	45,726	39,359
Amounts owed by group undertakings	-	-	18,630	18,630
Other debtors	4,941	19,793	4,841	19,793
Prepayments and accrued income	53,937	82,461	53,937	94,461
	104,605	163,167	123,134	172,243

16. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Academy 2020 £	Academy 2019 £
Trade creditors	1,758	63,185	1,758	63,022
Corporation tax	-	498	-	-
Other taxation and social security	-	4,636	-	-
Other creditors	167,121	151,203	167,121	151,203
Accruals and deferred income	96,503	129,009	96,503	128,974
	265,382	348,531	265,382	343,199

Deferred income

	Group 2020 £	Group 2019 £	Academy 2020 £	Academy 2019 £
Deferred income at 1 September 2019	39,785	6,654	39,785	6,654
Resources deferred during the year	36,138	39,785	36,138	39,785
Amounts released from previous periods	(39,785)	(6,654)	(39,785)	(6,654)
Deferred income at 31 August 2020	36,138	39,785	36,138	39,785

The deferred income balance consists of amounts relating to 2020/21 ESFA grants.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General funds	49,377	29,232	(18,399)	-	-	60,210
Restricted general funds						
PRU	614,014	4,186,480	(4,187,796)	(30,090)	-	582,608
Blueprint Catering Services	2,123	77,859	(78,341)	-	-	1,641
Teaching Schools	2,522	55,166	(57,520)	-	-	168
Other Restricted Funds	72,209	1,034,298	(970,587)	-	-	135,920
Pension reserve	(2,530,000)	-	(417,000)	-	(307,000)	(3,254,000)
	<u>(1,839,132)</u>	<u>5,353,803</u>	<u>(5,711,244)</u>	<u>(30,090)</u>	<u>(307,000)</u>	<u>(2,533,663)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	10,083,272	7,578	(227,349)	30,090	-	9,893,591
Total Restricted funds	<u>8,244,140</u>	<u>5,361,381</u>	<u>(5,938,593)</u>	<u>-</u>	<u>(307,000)</u>	<u>7,359,928</u>
Total funds	<u><u>8,293,517</u></u>	<u><u>5,390,613</u></u>	<u><u>(5,956,992)</u></u>	<u><u>-</u></u>	<u><u>(307,000)</u></u>	<u><u>7,420,138</u></u>

The specific purposes for which the funds are to be applied are as follows:

Restricted funds

The General Annual Grant (GAG) represents funding received from the Education and Skills Funding Agency during the period in order to fund the continuing activities of the school.

The pension reserve represents the Local Government Pension Scheme deficit. In the event of academy closure the outstanding LGPS liabilities would be met by the Department for Education. The trust is able to meet its current obligation to the pension fund, the employer contributions.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Restricted fixed asset funds

Capital grants represents amounts received for capital improvements. Inherited land and buildings are also included in the restricted fixed asset fund.

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General funds	23,524	25,853	-	-	-	49,377
Restricted general funds						
PRU	146,258	4,120,021	(3,929,200)	276,935	-	614,014
Blueprint Catering Services	(9,550)	328,041	(316,368)	-	-	2,123
Teaching Schools	(7,921)	106,557	(96,114)	-	-	2,522
Other Restricted Funds	325,558	954,218	(886,985)	(320,582)	-	72,209
Pension reserve	(1,677,000)	-	(395,000)	-	(458,000)	(2,530,000)
	<u>(1,222,655)</u>	<u>5,508,837</u>	<u>(5,623,667)</u>	<u>(43,647)</u>	<u>(458,000)</u>	<u>(1,839,132)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	10,156,182	87,597	(204,154)	43,647	-	10,083,272
Total Restricted funds	<u>8,933,527</u>	<u>5,596,434</u>	<u>(5,827,821)</u>	<u>-</u>	<u>(458,000)</u>	<u>8,244,140</u>
Total funds	<u><u>8,957,051</u></u>	<u><u>5,622,287</u></u>	<u><u>(5,827,821)</u></u>	<u><u>-</u></u>	<u><u>(458,000)</u></u>	<u><u>8,293,517</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	9,885,348	9,885,348
Current assets	60,210	985,719	8,243	1,054,172
Creditors due within one year	-	(265,382)	-	(265,382)
Provisions for liabilities and charges	-	(3,254,000)	-	(3,254,000)
Total	60,210	(2,533,663)	9,893,591	7,420,138

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	10,067,189	10,067,189
Current assets	49,377	1,039,399	16,083	1,104,859
Creditors due within one year	-	(348,531)	-	(348,531)
Provisions for liabilities and charges	-	(2,530,000)	-	(2,530,000)
Total	49,377	(1,839,132)	10,083,272	8,293,517

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Reconciliation of net expenditure to net cash flow from operating activities

	2020	2019
	£	£
Net expenditure for the period (as per Statement of financial activities)	(566,379)	(205,534)
Adjustments for:		
Depreciation	227,348	204,154
Capital grants from DfE and other capital income	(7,578)	(87,597)
Defined benefit pension scheme finance cost	417,000	395,000
Decrease in debtors	58,562	19,966
(Decrease)/increase in creditors	(83,149)	106,731
Net cash provided by operating activities	45,804	432,720

20. Cash flows from investing activities

	Group 2020	Group 2019
	£	£
Purchase of tangible fixed assets	(45,507)	(116,413)
Capital grants from DfE Group	7,578	87,597
Net cash used in investing activities	(37,929)	(28,816)

21. Analysis of cash and cash equivalents

	Group 2020	Group 2019
	£	£
Cash in hand	949,567	941,692
Total cash and cash equivalents	949,567	941,692

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	941,692	7,875	949,567
	941,692	7,875	949,567
	941,692	7,875	949,567

23. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Buckinghamshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £76,081 were payable to the schemes at 31 August 2020 (2019 - £69,005) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £303,408 (2019 - £213,824).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Group has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £456,000 (2019 - £368,561), of which employer's contributions totalled £352,000 (2019 - £262,561) and employees' contributions totalled £ 104,000 (2019 - £106,000). The agreed contribution rates for future years are 22.8 per cent for employers and 5.5 to 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.65
Rate of increase for pensions in payment/inflation	2.25	2.15
Discount rate for scheme liabilities	1.65	1.90

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.8	22.9
Females	25.1	24.8
<i>Retiring in 20 years</i>		
Males	23.2	24.6
Females	26.6	26.7

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	5,981	4,584
Discount rate -0.1%	6,328	4,858
Mortality assumption - 1 year increase	6,384	4,880
Mortality assumption - 1 year decrease	5,929	4,563
CPI rate +0.1%	6,165	4,731
CPI rate -0.1%	6,140	4,707

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23. Pension commitments (continued)

The Group's share of the assets in the scheme was:

	2020 £	2019 £
Equities	1,589,000	1,176,000
Gilts	306,000	258,000
Corporate bonds	454,000	311,000
Property	181,000	149,000
Cash and other liquid assets	76,000	70,000
Hedge funds	137,000	111,000
Absolute return portfolio	129,000	99,000
Alternative assets	26,000	15,000
Total market value of assets	2,898,000	2,189,000

The actual return on scheme assets was £74,000 (2019 - £155,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	(722,000)	(614,000)
Past service cost	-	(93,000)
Interest income	44,000	48,000
Interest cost	(91,000)	(89,000)
Total amount recognised in the Consolidated Statement of Financial Activities	(769,000)	(748,000)

Changes in the present value of the defined benefit obligations were as follows:

	2020 £	2019 £
At 1 September	4,719,000	3,254,000
Current service cost	722,000	614,000
Interest cost	91,000	89,000
Employee contributions	104,000	106,000
Actuarial losses	339,000	564,000
Benefits paid	(1,000)	(1,000)
Past service costs	-	93,000
Experience loss/(gain) on defined benefit obligation	178,000	-
At 31 August	6,152,000	4,719,000

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23. Pension commitments (continued)

Changes in the fair value of the Group's share of scheme assets were as follows:

	2020	2019
	£	£
At 1 September	2,189,000	1,577,000
Interest income	46,000	49,000
Actuarial gains	210,000	106,000
Employer contributions	352,000	353,000
Employee contributions	104,000	106,000
Benefits paid	(1,000)	(1,000)
Administration expenses	(2,000)	(1,000)
At 31 August	2,898,000	2,189,000

24. Operating lease commitments

At 31 August 2020 the Group and the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group
	2020	2019
	£	£
Not later than 1 year	16,458	16,064
Later than 1 year and not later than 5 years	8,651	15,453
	25,109	31,517

25. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

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26. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

27. Teaching school trading account

	2020 £	2020 £	2019 £	2019 £
Income				
Direct income				
Teaching school income	55,167		106,557	
Total income		55,167		106,557
Expenditure				
Direct expenditure				
Direct staff costs	16,776		49,335	
Courses and conference fees	-		350	
Total direct expenditure	16,776		49,685	
Other expenditure				
Other staff costs	9,719		40,369	
Other support costs	30,442		5,965	
Recruitment and staff costs	581		95	
Total other expenditure	40,742		46,429	
Total expenditure		57,518		96,114
(Deficit)/surplus from all sources		(2,351)		10,443
Teaching school balances at 1 September 2019		2,522		(7,921)
Teaching school balances at 31 August 2020		171		2,522

